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## Changes in 1952 Loan Program

The 1952 CCC Cotton-Loan Program has been changed so that its operation is largely handled locally. For example, (1) a producer may obtain a loan immediately at local approved lending agencies. If a loan is not available from a local lending agency, the county PMA office in the county in which the cotton was produced can make the loan; (2) a producer can repay the loan and repossess the cotton immediately, as the loan documents will be held locally; (3) a purchaser of an equity transfer can repay the loan locally.

In addition to the loan program, purchase agreements are available. A producer may obtain a purchase agreement and hold his cotton for sale at any time prior to delivery of the warehouse receipts to CCC. Warehouse receipts must be delivered by August 3, 1953. Under a purchase agreement the producer has an option to sell a specified quantity of cotton to CCC at the end of the season at the applicable support rate. A small fee is charged for this service. The producer retains ownership of his cotton throughout the season and can sell it at any time in the open market. The purchase agreement provides price protection without a charge for interest. For further details consult your local county PMA office.

### How the Loan Program Works

Who can get a loan. Individuals, partnerships, or firms producing cotton in 1952 can get a loan on cotton grown by them.

How to obtain a loan. The producer takes his classification card and warehouse receipt to a loan clerk who assists him in preparing the loan documents. To get the loan these documents and warehouse receipts are then taken to an approved local lending agency or the PMA office in the county in which the cotton was produced. At either place the loan is available immediately.

Loans on farm-stored cotton may also be obtained. Farm-stored loan documents must be prepared in the PMA office in the county in which the cotton was produced. After the loan documents are prepared the loan is obtained in the same way as for warehouse-stored cotton.

Members of approved cotton marketing cooperative associations can obtain loans through their associations.

How to repay loan or sell equity in a loan. The borrower may pay off his loan and repossess his cotton at the local lending agency or county PMA office holding his loan documents. This may be done any time prior to maturity, July 31, 1953.

The borrower who wants to sell his equity in loan cotton can get an equity transfer certificate from the PMA county office of the county in which the cotton was produced.

The loan rate. 90 percent of parity as of August 1, 1952.

For Middling 15/16 inch cotton, the loan rate will average not less than 31.96 cents per pound.

For additional details about the price-support program, you are invited to communicate with your county PMA office or a member of the county PMA committee.

**U.S. DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION**

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*Mr. Cotton Grower:*

Another good-sized cotton crop will be harvested this year if favorable weather holds for the rest of the growing season.

The way you and other cotton growers market the crop will again have much to do with the price you get. Orderly marketing of the 1951 crop helped a lot.

In most years in the past, producers have harvested and ginned about four-fifths of the crop in the 3 months of September, October, and November. In many sections most of the crop is harvested in even less time. If this large volume is put on the market at harvesttime--concentrating sales in a short period--the result can easily be glutted markets and lower prices.

Cotton farmers can help to avoid such gluts by marketing their cotton in an orderly way over a longer time. Last year, for instance, only about half of the cotton was marketed during the September-November period, and crop values were protected. This stabilized marketing was made possible by the availability of the price-support loan program. That program is available again this year to help growers do a good job of marketing their crop.

As additional protection, of course, the program provides a support-price floor below which no farmer need sell his cotton.

By using Commodity Credit Corporation loans--which are available on baled cotton in all locations--you can get cash as a loan on your cotton immediately. By putting it under loan, you are assured of at least the loan value for your cotton. Such a loan--at 90 percent of the parity price--should not be considered as the final sale. The loan may be paid off and the cotton sold at any time before the maturity of the loan on July 31, 1953.

The following is a summary of important facts about the cotton price-support program:

Loans Helped Farmers in Past Years

Over the years, the cotton-loan programs have helped substantially to support prices received by growers.

More than one-third of the 1948 crop was put under loan. Farmers repaid the loan on 28 bales out of every 100 placed under loan that year, because prices went up and they sold the cotton at prices higher than loan values.

Cotton left in the loan was pooled later by CCC and sold for producers. An average of about \$17.50 a bale, over and above the amount of the loan, was received by growers on this pooled cotton after deduction of carrying charges.

Cotton growers put more than one-fifth of the big 1949 crop under loan. Advancing market prices made it profitable for producers to repay nearly all the loans that year and sell the cotton above the loan value. Producers were thus able to take advantage of a rising market.